

**REDEVELOPMENT AGENCY MEETING
JUNE 1, 1999**

The meeting called to order as the City Council at 10:15 a.m. Deputy Mayor Wear chaired the meeting. He stated the Mayor will arrive later.

Roll Call Mathis, Wear, Kehoe, Stevens, Warden, Stallings,
McCarty, Vargas, and Mayor Golding

Michael Uberuaga, City Manager
Casey Gwinn, City Attorney
Charles Abdelnour, Secretary

Request for Continuance:

Michael Uberuaga, City Manager, made a request for Item 9 to be continued until June 22, 1999.

Walter Heiberg, Vice-President, Corkey McMillin Company, spoke in opposition, that both parties concern submitted the information as requested by Council; and met with the City Council last week.

Bob Santos, Division President, Lennar Communities, we did submit a request for continuance, that we did not have a chance to meet with all of the council and discuss the information on our proposal.

There were no further speakers on the continuance.

There was discussion by Councilmembers on whether or not this item should be continued.

Motion by Member Mathis to continue (with Wear, Kehoe, Stevens, Warden and Stallings voting nay and Mayor not present)
Second by Vargas
Vote: 3-5

Motion failed, item will be heard.

The meeting adjourned as the City Council at 10:39 a.m.

The meeting reconvened as the Redevelopment Agency at 10:48 a.m.

2. Approving resolution to

Authorize CCDC to initiate actions as appropriate within project area pursuant to Health & Safety Code 33459, Et. Seq.

See Centre City Development Corporation report dated May 7, 1999.

No one spoke in opposition to this item.

Motion by Member Stallings to approve (with Mayor not present)

Second by Mathis

Vote: 8-0

Redevelopment Agency Resolution number R-02992.

3. Approving resolution and documents to:

The Seventh Amendment to the Remediation Agreement and Eight Amendment to the Trust Agreement for the Marina Hydrocarbon Plume.

See Centre City Development Corporation report dated April 27, 1999.

Companion item to Twelfth Amendment to Agreement with Geomatrix.

No one spoke in opposition to this item.

Motion by Member Stallings to approve (with Mayor not present)

Second by Mathis

Vote: 8-0

Redevelopment Agency Resolution number R-02993 and Redevelopment Agency Document numbers D-02993a and D-02993b.

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CONSENT-ADOPTION

4. Approving resolution and document to:

The Twelfth Amendment to Agreement with Geomatrix Consultants, Inc. for preparation and implementation of the Remedial Action Cleanup Plan for the Marina Hydrocarbon Plume in the amount of \$28,000.

See Centre City Development Corporation report dated April 27, 1999.

Companion item to Seventh Amendment to Remediation Agreement & Eighth Amendment to Trust Agreement.

No one spoke in opposition to this item.

Motion by Member Stallings to approve (with Mayor not present)

Second by Mathis

Vote: 8-0

Redevelopment Agency Resolution number R-02994 and Redevelopment Agency Document number D-02994.

6. Approving resolution to:

Certify the MEIR for the Centre City Redevelopment Project and the Secondary Study and Negative Declaration with respect to the proposed Environmental Remediation Project.

See Centre City Development Corporation report dated May 11, 1999.

No one spoke in opposition to this item.

Motion by Member Stallings to approve (with Mayor not present)

Second by Mathis

Vote: 8-0

Redevelopment Agency Resolution number R-02995.

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CONSENT-ADOPTION

8. Approving resolution and document to:

That the Redevelopment Agency approve an Owner Participation Agreement with Price Company for the reconstruction and expansion of the existing Costco Wholesale Store within the Gateway Center East Business Park.

See Southeastern Economic Development Corporation report 99-012, dated May 27, 1999.

No one spoke in opposition to this item.

Motion by Member Stallings to approve (with Mayor not present)

Second by Mathis

Vote: 8-0

Redevelopment Agency Resolution number R-02996, and Redevelopment Agency Document number D-02996.

The meeting adjourned as the Redevelopment Agency at 10:49 a.m.

The meeting reconvened as the City Council at 10:49 a.m.

Mayor Golding chaired meeting at 11:00 a.m.

The meeting adjourned as the City Council at 12:14 p.m.

The meeting reconvened as the City Council at 2:17 p.m. by Deputy Mayor Wear. Mayor Golding chaired the meeting at 2:20 p.m.

ADOPTION

1. Approving resolution to:

Approve construction of improvements on Cedar Street and the intersection of Cedar Street and third Avenue, making certain findings with respect to such payments for the improvements and authorizing the Centre City Development Corporation to bid and construct said improvements.

See Centre City Development Corporation report dated April 29, 1999.

Council Companion item no. 335.

Public Testimony - Opposition

Dan Beeman, said there has been budgetary problems both prior and present, that if this is being develop by a private organization that they can provide the funds on this project.

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ADOPTION

Council Companion Item No. 335/Redevelopment Agency Item 1 (continued)

Motion by Member Kehoe to approve
Second by Member Vargas
Vote: 9-0

Redevelopment Agency Resolution number R-02997; City Council Resolution number R-291740.

The meeting adjourned as the City Council at 2:59 p.m.

The meeting reconvened as the Redevelopment Agency at 3:00 p.m.

5. Approving resolution to:

Finding and determining the public interest and necessity for acquiring and authorizing the condemnation of certain real property interests.

See Centre City Development Corporation report date May 7, 1999.

Peter Hall, President, Centre City Development Corporation, said David Allsbrook, project manager; Scott Noya, and Dennis Daley, special counsel of the agency.

David Allsbrook, project manager, Centre City Development Corporation presented staff report.

Public Testimony - Opposition

Robert Miller, attorney, Lou Goebel office, representing 10 of the heirs of the Horton family, said submitted a letter dated May 20, 1999 to the council and made part of the record for this proceeding.

Louis Goebel, in opposition, did not speak.

Motion by Member Wear to approve
Second by Member Stevens
Vote: 9-0

Redevelopment Agency Resolution number R-02998.

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Mayor Golding stated that Council need to go into Closed Session has not been previously docket, and have City Attorney discuss this item.

Casey Gwinn, City Attorney, said the Mayor received a letter from Dennis Buoy, Executive Director, Port District, regarding an agreement that has been entered into between the Port District and Manchester Resorts regarding property involved in the ballpark project. This item is of importance, and needs to be discussed in Executive Session, under Section 54954.2 of the Brown Act, Subsection B-2, have the ability to do this, making findings that have a matter that was not previously noticed, not on the docket, and by 6 votes, make the decision to go into Executive Session.

The meeting adjourned as the Redevelopment Agency at 3:08 p.m.

The meeting reconvened as the City Council at 3:10 p.m.

The meeting adjourned as the City Council at 3:25 p.m.

The meeting reconvened as the Redevelopment Agency at 3:26 p.m.

ADOPTION

7. Approving resolutions to:

Initiating condemnation proceedings to acquire property by eminent domain for the Centre City Redevelopment project parcels 535-366-01, 06, 07, 09; 535-353-04; 535-570-06; 535-354-01, 02, 03; 535-562-01, 02, 03; 535-355-09, 10; 535-550-04; and 535-561-01.

See Centre City Development Corporation report dated May 7, 1999.

David Allsbrook, project manager, presented staff report.

Public testimony - favor

Louis Frick, representing the Access Center of San Diego, that this site was selected by the Citizens Task Force offered the greatest opportunity for public benefit.

Craig Irving, Chairman, Downtown San Diego Partnership, said this is important to the City and to move forward.

George Mitrovich, Chairman, Committee 2000, spoke in support of the ballpark for San Diego.

Public testimony - opposition

Tom Hom, spoke in opposition, wants to participate with the negotiations.

Doug Tribble, attorney, representing the Frost family, presented display boards, spoke in opposition to mou.

John Kern, attorney, spoke in opposition, addressed issues to the hotel and the mou.

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Public testimony - Opposition (No. 7)

Ed Plant, owner, San Diego Refrigerated Services, said not been treated fairly, by CCDC, to rebuild his business, cost money, and do not have it.

Rhonda J. Holmes-Thompson, attorney, representing United Fastener, and eight entities produce companies, distributed a handout and exhibits, and spoke in opposition to the mou.

Ron Boshun, in opposition, did not speak.

Dan Beemen, spoke in opposition to this project.

Don Stillwell, said the owner should get fair market value on their property.

Robert Miller, attorney, representing 4 A Auto Store, tenants on this property for over 25 years, do not want their lease condemn, and submitted a letter, dated May 20, 1999, outlining objections.

Scott Barnett, Executive Director, San Diego County Taxpayers Association, spoke in opposition to recommend a delay in condemning any property until some key issues have been resolved, 1) status \$25 million loan to the city; 2) resolve the issue with the Padres, who will pay the overrun of costs of land acquisition?

Eric Kramer, attorney, Pillsbury, Madison and Sutro, representing AFJR Partnership, the Frost family. He spoke in opposition, their requirements for fair return on their property.

Motion by Member Warden to approve as amended the other parcels be separate from the other parcels (with Stevens and Vargas voting nay)

Second by Member Stallings

Vote: 7-2

Motion by Member Warden to approve as amended for the resolution of necessity of the Hom property, that there be participation on these negotiations (parcel 535-355-09 and 535-355-10 be separate from the other parcels (with Stevens voting nay)

Second by Member Stallings

Vote: 8-1

Redevelopment Agency Resolution numbers R-02999 and R-03000.

Member Stallings stated earlier today we discussed continuing until June, Item 9, on the Redevelopment Agency agenda. The motion this morning failed, however other issues have taken longer, and we have to go into Executive Session. That this Item continue to June 22, 1999 to time certain.

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ADOPTION

9. **EXCLUSIVE NEGOTIATING AGREEMENT WITH LENNAR COMMUNITIES & LNR PROPERTY CORP. FOR REDEVELOPMENT AND REUSE OF THE NAVAL TRAINING CENTER.**

This item continued at the request of the Agency, meeting of May 18, 1999. That each candidate/developer make a presentation at the June 1, 1999 meeting.

Subitem A: (RA 99-130)

Authorizing the Executive Director, or designee, to execute an Exclusive Negotiation Agreement with Lennar Communities & LNR Property Corporation for the redevelopment of the Naval Training Center.

OR

Subitem B: (RA 99-145)

Authorizing the Executive Director, or designee, to execute an Exclusive Negotiation Agreement with McMillin Companies, LLC for the redevelopment of the Naval Training Center.

AND

Subitem C: (RA 99-131)

Amend the FY 1998-1999 Agency Budget increasing the Naval Training Center fund by \$250,000 in Developer Proceeds and authorizing expenditure of said funds.

See Deputy Executive Director report dated May 13, 1999, RA 99-3.

AGENCY ACTION:

Approval of Subitems A and C; or

Approval of Subitems B and C

CITY MANAGER'S RECOMMENDATION:

The City of San Diego, the designated Local Redevelopment Agency (LRA) for the Naval Training Center (NTC) adopted NTC as a Redevelopment Project in April 1997. On June 8, 1998, the Rules Committee of the City Council directed staff to issue a nation-wide Request for Qualifications (RFQ) for a master developer for NTC, to conduct interviews, and if necessary to issue a Request for Proposals (RFP) and to hold subsequent interviews. Based on this process, and following the recommendation of the Selection Committee, the City Manager recommendation is to enter into a Exclusive Negotiation Agreement (ENA) with Lennar Communities and LNR Property Corporation. (Approval of Subitems A & C).

Staff: Betsy Weisman 235-5205

Motion by Member Stallings to reconsider (with Kehoe, Stevens and Warden voting nay)

Second by Member Wear

Vote: 6-3

Motion by Member Stallings to continue to June 22, 1999 to time certain (with Kehoe and Stevens voting nay)

Second by Member Wear

Vote: 7-2

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Adjournment

Motion by Member Wear to adjourned into Executive Session
Second by Member Mathis
Vote: 9-0

The meeting adjourned at 5:10 p.m. into Executive Session.

Secretary of the Redevelopment Agency
of the City of San Diego, California